

**CITY OF SALEM, VIRGINIA
BOOK OF RATES AND FEES**

COMMISSIONER OF THE REVENUE

COMMISSIONER OF THE REVENUE FEES

BUSINESS LICENSE FEES

Assessing Department:

Commissioner of the Revenue

Collecting Department:

Treasurer

Description:

Every person or corporate entity engaging in business in Salem must obtain a business license within 30 days of beginning operation. Persons paid on a 1099 may be subject to licensure also.

| Rates or Fees | Amount |
|---|---|
| A list of business licenses and rates/fees are as follows: | |
| CLASSIFICATION: | TOTAL PRIOR YEAR GROSS RECEIPTS MULTIPLIED BY TAX RATE EQUALS TAX AMOUNT |
| Amusement Service | Gross Receipts X .0036=Tax due |
| Business Service | Gross Receipts X .0036=Tax due |
| *Contractor | Gross Receipts X .0016=Tax due |
| Finance | Gross Receipts X .0058=Tax due |
| Personal Service | Gross Receipts X .0036=Tax due |
| Professional Service | Gross Receipts X .0058=Tax due |
| **Real Estate Service | Gross Receipts X .0058=Tax due |
| Repair Service | Gross Receipts X .0036=Tax due |
| Retail Merchant | Gross Receipts X .0020=Tax due |
| Short Term Rental | Gross Receipts X .0020=Tax due |
| Utility Service Companies | Gross Receipts X .5%=Tax due |
| Wholesale Merchant | \$50.00 on the first \$10,000 of Purchases. Additional Purchases exceeding the first \$10,000 X .0013=Tax due plus \$50.00= Total tax due |
| Flat Fee Licenses: | |
| Tobacco | \$ 10.00 |
| Wine & Beer On & Off | \$ 100.00 |
| Wine & Beer On | \$ 50.00 |
| Wine & Beer Off | \$ 50.00 |
| Number of Seats Approved by ABC Board for mixed Beverages: | |
| Number of Seats: 1-100 | \$ 200.00 |
| Number of Seats: 101-150 | \$ 350.00 |
| Number of Seats: Over 150 | \$ 500.00 |
| Solicitor | \$ 15.00 |
| Show & Sale and Flea Markets | \$ 30.00 |
| Peddlers | \$ 200.00 |
| Itinerant | \$50.00/\$500.00 |
| Regulatory License | \$ 150.00 |
| Junk Dealer | \$ 200.00 |
| ***Home Occupation | \$ 30.00 |
| Brewery/Winery | \$ 1,000.00 |
| Other | Call Commissioner of the Revenue 540-375-3019 |

Business License Fees Continued

| Rates or Fees | Amount |
|---|---------------|
| Important Dates: | |
| December 31st Business forms mailed | |
| February 15th Business Property forms need to be filed and due back to the Commissioner of the Revenue's office. After February 15th a late filing penalty of 10% or \$10.00, whichever is greater, shall be applied to the property bill. This penalty shall become a part of the tax. | |
| March 1st Business License Renewal and payment are due for the current year. | |
| May 31st Business Personal Property Payment due. | |
| Penalty: A penalty of 10% or \$10.00 whichever is greater will be assessed on the unpaid amount and in no case should exceed the amount of the tax due. | |
| Interest: 10% per annum shall be assessed and collected on the principal and penalties of all such taxes and levies remaining unpaid. | |
| Failure to Obtain a License is a criminal offense, punishable by fines, imprisonment and /or closure of business. | |
| *Contractors: The Virginia Workers' Compensation Act, Title 65.2 of the Code of Virginia amendment requires that no business license be issued or reissued to a contractor without proof of compliance. General contractors should submit a list of subcontractor used for jobs in Salem City during the prior year. Title 54.1 of the Code of Virginia: Any contractor who undertakes a bid upon, accept, or offers to accept a single contract or project of \$1,000 or more, must register with the State Board of Contractors. | |
| **Real Estate Brokers: Pursuant to Virginia Code Section 58.1-37432.2: All brokers claiming exclusions for commissions paid to its agents must identify each agent to whom excluded receipts have been paid and the jurisdiction in the Commonwealth of Virginia to which the agent is subject to business license taxes. This list must be attached in order to subtract exclusions from gross receipts. | |
| ***Home Businesses Only: You must fill in your actual gross receipts on this form and return to the Commissioner of the Revenue's office by March 1st even if your gross receipts are less than \$8,000.00. If your Gross Receipts are under the \$8,000.00 limit no license tax will be assessed. The \$30.00 Home Occupation fee will be due. If your gross receipts are over \$8,000 limit, you must calculate the business license tax and add the \$30.00 home occupation fee to the total. | |
| All forms and information can be found on the City of Salem Commissioner of the Revenue website: www.salemva.gov | |

Legal Authorization:

Ordinances, Effective dates: (01-01-2016 Changed rate on Financial Services); (11-19-2015 Added Flea Markets to the City Code); (10-07-2010); (10-19-2006); (12-07-2000); (03-10-1997); (12-09-1996); (11-16-1994); (10-03-1991); (01-14-1991); (12-10-1990); (08-23-1990); (01-01-1990); (07-04-1985); (04-04-1985); (10-08-1981); (01-01-1981)
 Salem City Code, Chapter 22, Article II, Division I, Section 22-36 - 22-84
 Code of Virginia, Title 58.1, Subtitle III, Chapter 37, Section 58.1-3703 & 58.1-3706